

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
NORTHWESTERN CORPORATION,	Bankruptcy Case No. 03-12872 (JLP)
Reorganized Debtor.	
RICHARD R. HYLLAND,	Civil Action No. 05-401-JJF
Appellant,	
v.	
NORTHWESTERN CORPORATION,	
Appellee.	
NORTHWESTERN CORPORATION,	Civil Action No. 05-397-JJF
Appellant,	
v.	
RICHARD R. HYLLAND,	
Appellee.	

**STIPULATION BETWEEN NORTHWESTERN CORPORATION AND RICHARD HYLLAND REGARDING THE FILING OF MEDIATION STATEMENTS**

NorthWestern Corporation (“NorthWestern”) and Richard Hylland (“Hylland,” collectively with NorthWestern, the “Parties”), by and through undersigned counsel, hereby stipulate and agree as follows:

A. On September 14, 2003 (the “Petition Date”), NorthWestern filed a voluntary petition under chapter 11 of title 11 (as amended, the “Bankruptcy Code”). On October 19, 2004, an order confirming NorthWestern’s Second Amended and Restated Plan of

Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") was entered. The effective date under such Plan occurred on November 1, 2004.

B. NorthWestern and its direct and indirect subsidiaries together comprise one of the largest providers of electricity and natural gas in the upper Midwest and Northwest regions of the United States, serving approximately 608,000 customers throughout Montana, South Dakota and Nebraska.

C. On or about May 5, 2005, the Bankruptcy Court entered its Order with Respect to Arbitration of Richard Hylland's Claims Against NorthWestern Corporation [Bankruptcy Docket No. 3050] (the "Order").

D. On or about May 13, 2005, NorthWestern filed its notice of appeal of the Order. On or about June 15, 2005, the appeal was docketed on the docket for the United States District Court for the District of Delaware (the "District Court") and designated Civil Action 05-397-JJF (the "Appeal").

E. On or about May 23, 2005, Hylland filed his notice of cross-appeal of the Order. On or about June 15, 2005, the cross-appeal was docketed on the District Court's docket and designated Civil Action No. 05-401-JJF (the "Cross-Appeal").

F. On or about June 29, 2005, the District Court entered its Order appointing Louis C. Bechtle as mediator (the "Mediator") in both the Appeal and Cross-Appeal.

G. Pursuant to the District Court's Standing Order dated July 23, 2004 regarding the procedures governing mediation of appeals from the United States Bankruptcy Court, within fifteen (15) days after the selection of a mediator, parties shall submit to the mediator a confidential position paper.

**NOW THEREFORE IT IS HEREBY STIPULATED AND AGREED THAT:**

1. The Parties agree that mediation position papers in connection with the Appeal and Cross-Appeal shall be submitted to the Mediator on or before July 21, 2005.
2. This Stipulation shall be binding upon and inure to the benefit of the parties hereto, their subsidiaries, affiliates, including transmission affiliates, successors and assigns, including any chapter 11 trustee or chapter 7 trustee that may be appointed in this case.
3. This Stipulation may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures of the parties shall be binding upon the parties to the same effect as original signatures.
4. Upon approval by the District Court, this Stipulation shall be effective immediately. The District Court shall retain jurisdiction to hear any matters or disputes arising from or relating to this Stipulation.

[signatures on next page]

Dated this 14th day of July, 2005

Agreed:

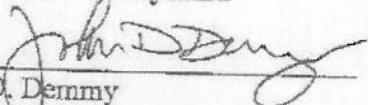
For NorthWestern Corporation

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For Richard B. Hylland

By:   
John D. Demmy  
Stevens & Lee, P.C.  
1105 North Market Street  
Seventh Floor  
Wilmington, DE 19801  
Telephone: (302) 425-3308

SO ORDERED,

this day of July \_\_\_, 2005

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Hon. Joseph J. Farnan, Jr.  
United States District Judge

Dated this 14th day of July, 2005

Agreed:

For NorthWestern Corporation

By Karol K. Denniston

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**ORDER APPROVING STIPULATION**

UPON the Stipulation Between NorthWestern Corporation ("NorthWestern") and Richard R. Hylland ("Hylland," collectively with NorthWestern, the "Parties") Regarding the Filing of Mediation Statements (the "Stipulation"), it is hereby

ORDERED, that the Stipulation is hereby APPROVED; and it is further

ORDERED, that Parties shall submit mediation statements in connection with the Appeal and Cross-Appeal to the Mediator on or before July 21, 2005; and it is further

ORDERED, that this order shall be effective immediately; and it is further  
ORDERED, that this Court shall retain jurisdiction to hear and determine all matters  
arising from the implementation of this order.

Dated: Wilmington, Delaware  
July \_\_\_, 2005

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United States District Judge